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U.S. Charges Aides to LaRouche With Credit-Card Fraud Scheme

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Special to The New York Times

WASHINGTON, Oct. 6 — Ten key associates of Lyndon H. LaRouche Jr. were indicted today on Federal fraud and conspiracy charges as hundreds of law-enforcement agents raided the political extremist's headquarters in Virginia.

The Justice Department said several individuals named in the 117-count indictment were members of the "inner circle" of advisers to Mr. LaRouche, a perennial Presidential candidate who espouses a range of eccentric views and who is said to be under investigation himself.

Termed a 'Political Trick'

The indictment, returned in Federal District Court in Boston, charged the 10 individuals, two corporations and three campaign committees tied to Mr. LaRouche with involvement in a scheme that raised more than $1 million through fraudulent credit-card billings. Prosecutors said the account numbers were obtained when people bought subscriptions to publications controlled by Mr. LaRouche or offered contributions to his political organizations.

A spokesman for Mr. LaRouche, Ed Spannaus, described today's actions as "one of the biggest political tricks in history."

The early-morning raids of two office buildings in Leesburg, Va., were conducted by more than 300 local, state and Federal agents searching for the financial records of organiations connected to Mr. LaRouche.

According to the indictment, followers of Mr. LaRouche defrauded more than 1,000 people by making unauthorized charges to their credit cards.

Justice Department officials said that today's developments would seri-

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ously harm, possibly cripple, Mr. LaRouche's fund-raising efforts, which often involve one-on-one appeals at the nation's airports.

While Mr. LaRouche was not charged today, a department official knowledgeable about the case stressed that Mr. LaRouche himself was still under investigation. The indictment said that Mr. LaRouche "dominates and controls" the National Caucus of Labor Committees, a political group that was among those charged today with conspiring to obstruct justice.

"In order to get an indictment, we need to establish a direct link" between Mr. LaRouche and criminal activity, another department official said. "And that's why we're looking forward to getting a look at some of the material gathered in these raids."

Mr. Spannaus, the LaRouche spokesman, said the timing of today's actions was "quite important since it comes about four weeks before the November general elections."

Several candidates associated with Mr. LaRouche are running for office in races across the country. LaRouche forces have gained some support by calling for a buildup of the country's nuclear arsenal and strong measures to deal with unemployment, drugs, crime and AIDS.

Links Queen to Drugs

Mr. LaRouche, who was once on the radical left, has warned of a constellation of conspiracies, saying that the United States and the Soviet Union have plotted against workers, that Queen Elizabeth II is involved in a network of drug traffickers and that prominent American political figures are agents of Soviet influence.

Some of his followers have been accused of harassing political opponents, and Mr. LaRouche, who describes himself as a leading economist, says he has been threatened by Communists, Zionists, narcotics gangsters, the Rockefellers and international terrorists.

The 30-page indictment alleged that Mr. LaRouche's supporters repeatedly attempted to obstruct the two-year-old grand jury investigation in Boston, where much of the purported credit-card fraud took place.

At one point, the document said, Mr. LaRouche discussed the Federal inquiry with an associate and told him that "we are going to stall, tie them up in the courts . . . just keep stalling, stall and appeal, stall and appeal."

United Press International

Lyndon H. LaRouche Jr.

The indictment did not explain how prosecutors learned of this comment.

No Statement From LaRouche

Followers of Mr. LaRouche were also charged with scheming to obtain money from members of the public by falsely promising to repay loans made to his organizations.

The indictment said that after obtaining a credit-card number, the defendants would phone the cardholder "many times on the same day" and "late at night." During the calls, it said, the defendants demanded "in increasingly insistent tones that donations or 'loans' be made."

Mr. LaRouche, who has lived most recently in a secluded 172-acre complex in Leesburg, did not issue a separate statement today. But another associate, Warren J. Hamerman, told reporters that the raids coincided with efforts by Donald T. Regan, the White House chief of staff, to "cover up" the spread of acquired immune deficiency syndrome. "Donald Regan is screaming about the danger that Lyndon LaRouche will expose the truth about AIDS," Mr. Hamerman said. Mr. LaRouche has argued that public health

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officials have the right to quarantine AIDS victims.

The White House has been largely unwilling to comment on Mr. LaRouche and his unconventional theories.

The corporations named in the indictment were Campaigner Publications Inc. and Caucus Distributors Inc., which were described as fund-raising entities "controlled" by Mr. LaRouche.

Three Campaign Committees

The three campaign committees indicted were the LaRouche Campaign, Independent Democrats for LaRouche and the National Caucus of Labor Committees.

According to prosecutors, the LaRouche Campaign and Independent Democrats for LaRouche were the official campaign committees formed for Mr. LaRouche's 1984 Presidential campaign. The labor caucus, they said, is an association of LaRouche supporters.

The prosecutors say three of the individuals indicted today are full-time members of Mr. LaRouche's "security and intelligence" staff in Leesburg: Paul Goldstein, and Jeffrey Steinberg and his wife, Michelle. Justice Department officials said the three were intimates of Mr. LaRouche. Dana Scanlon, another LaRouche spokesman, said that the three staff members were not available this evening to comment on the charges lodged against them.

Court Acts in Libel Case

Others named in the indictment were Michael Billington of Leesburg; Richard Black of Quincy, Mass.; Roy Frankhauser of Reading, Pa., and Elliot Greenspan of Richfield Park, N.J. The Justice Department said it did not know the home addresses for the three other LaRouche associates indicted: Michael Gelber, Richard Sanders and Charles Park.

According to the Justice Department, the early-morning raid in Leesburg involved agents of the Federal Bureau of Investgation, the Internal Revenue Service, the Secret Service and the Virginia State Police.

The Virginia Attorney General, Mary Sue Terry, said state officials were investigating charges that members of organizations connected to Mr. LaRouche had violated state securities statutes.

A Federal law-enforcement official knowledgeable about the case said the F.B.I. had obtained several important documents in the raids. "There were a lot of financial records that were kept at that location," he said.

In Washington, meanwhile, the Supreme Court cleared the way for NBC to collect more than $250,000 from Mr. LaRouche, who had unsuccessfully sued the network for libel. The suit was thrown out, and a jury awarded punitive damages to NBC.

Through an extensive court battle, Mr. LaRouche had fought efforts by the network to collect the money.